

# House Study Bill 598 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON COWNIE)

## A BILL FOR

1 An Act relating to health care administrative simplification.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. HEALTH CARE ADMINISTRATIVE SIMPLIFICATION —  
2 COMMISSIONER OF INSURANCE WORKGROUP.

3     1. During the fiscal year beginning July 1, 2018, the work  
4 group convened by the commissioner of insurance, annually,  
5 pursuant to section 505.8, subsection 18, shall consider ways  
6 to bring about greater standardization, streamlining and  
7 simplification of health care administrative transactions,  
8 increased electronic exchanges of administrative data, and  
9 reduced administrative costs and burdens. Specifically, the  
10 work group shall consider the work of other states regarding  
11 health care administrative simplification including the  
12 Minnesota administrative uniformity committee and the Minnesota  
13 health care administrative simplification initiative and make  
14 recommendations regarding all of the following:

15     a. Uniform, HIPPA-compliant health care electronic data  
16 interchange standards for health care transactions including  
17 all of the following:

18       (1) Eligibility verifications submitted by health care  
19 providers to health insurance carriers to confirm a patient's  
20 medical insurance coverage and benefits to facilitate proper  
21 billing.

22       (2) Claims submitted by health care providers to health  
23 insurance carriers for payment for health care services  
24 provided.

25       (3) Remittance advices submitted by health insurance  
26 carriers to health care providers to explain any adjustments to  
27 claims and corresponding payments.

28       (4) Acknowledgments indicating that one party has received  
29 an exchange submitted by another party.

30     b. A HIPAA-compliant, single, uniform companion guide for  
31 the electronic exchange of patient eligibility verifications,  
32 claims, remittance advices, and acknowledgments by all health  
33 care providers and health insurance carriers.

34     c. Unique identification numbers to be used by health care  
35 providers, health insurance carriers, and patients, including

1 applicable privacy standards to protect the identity of the  
2 individual subject of the data exchanged.

3 d. A uniform explanation of benefits document.

4 e. Best practices to be incorporated by health care  
5 providers and health insurance carriers to reduce the cost of  
6 providing health insurance coverage and health care services  
7 in the state.

8 2. The work group shall report its findings and  
9 recommendations, including any changes in law or administrative  
10 rules, in the annual report filed with the general assembly  
11 pursuant to section 505.18.

12 3. For the purposes of this section:

13 a. "Health care provider" means the same as defined in  
14 section 135P.1.

15 b. "Health insurance carrier" means "carrier" as defined in  
16 section 514C.13.

17 c. "HIPPA" means the federal Health Insurance Portability  
18 and Accountability Act of 1996, Pub. L. No. 104-191, 110 Stat.  
19 1936 (1996).

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 This bill directs the work group convened by the  
24 commissioner of insurance, annually, during the fiscal year  
25 beginning July 1, 2018, to consider ways to bring about  
26 greater standardization, streamlining and simplification of  
27 health care administrative transactions, increased electronic  
28 exchanges of administrative data, and reduced administrative  
29 costs and burdens. Specifically, the work group is directed  
30 to consider the work of other states regarding health care  
31 administrative simplification including the Minnesota  
32 administrative uniformity committee and the Minnesota health  
33 care administrative simplification initiative and make  
34 recommendations regarding uniform, health care electronic  
35 data interchange standards that comply with the federal

1 Health Insurance Portability and Accountability Act of 1996  
2 (HIPAA) for health care transactions including eligibility  
3 verifications, claims, remittance advices, and acknowledgments;  
4 a HIPAA-compliant, single, uniform companion guide for the  
5 electronic exchange of patient eligibility verifications,  
6 claims, remittance advices, and acknowledgments; unique  
7 identification numbers to be used by health care providers,  
8 health insurance carriers, and patients, including applicable  
9 privacy standards to protect the identity of the individual  
10 subject of the data exchanged; a uniform explanation of  
11 benefits document; and best practices to be incorporated by  
12 health care providers and health insurance carriers to reduce  
13 the cost of providing health insurance coverage and health care  
14 services in the state.

15     The work group is directed to report its findings and  
16 recommendations, including any changes in law or administrative  
17 rules, in the annual report filed with the general assembly.